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1

To Department of Planning, re

Ulan Modification 6 - underground mining extension MP08_184 Mod6, submissions report, August 2023 Submission

Climate Change Balmain-Rozelle (CCBR) is an independent community group in inner west Sydney with over 1000 supporters. We campaign to promote local and national action to reduce fossil fuel use, increase the adoption of renewable energy, and head off catastrophic global warming.

Recommendation

That the extension proposed for the Ulan Coal Complex be rejected.

Greenhouse Gas Emissions

Umwelt's response, on behalf of Ulan Coal Mines Pty Limited, to submissions on the previous version of the proposal acknowledges that two thirds of the community submissions objected to the proposal and that the most frequently cited concern was climate change; yet not one of the revisions now proposed mitigates the climate impact. Consequently, the submission CCBR made at that time largely still applies – specifically:

- Extension of coal mine operations until 2035 is incompatible with the need to reduce carbon emissions urgently to avoid worsening impacts of climate change,
- The net benefit to NSW has been overstated by greatly underestimating the social cost of carbon pollution and by apportioning that cost inappropriately.
- The total resulting greenhouse gases from the project would significantly harm the Australian environment, for example the Great Barrier Reef.

The details are recapitulated in the Appendix below.

Umwelt's pleadings

'It's only a few more emissions'

In defence of the proposal, in section 5.1.1 of its response, Umwelt argues:

"The Proposed Modification will not materially increase the national or State effort required to reach Australia's and NSW's 2030 greenhouse gas reduction targets. Further it is unlikely to limit Australia or NSW achieving their reduction targets. "

Perhaps to minimise scrutiny, there is a trend in NSW for coal mine extension proposals to be fragmented into smaller steps. This has led to an increase in the number of such proposals, many of which could individually be characterised as not materially increasing NSW or National emissions. The problem, of course, is the total of these. To protect the camel's back we must weigh every straw.

Moreover, a seemingly small increase in emissions does not automatically translate into no material increase in the required effort. The Net Zero Commission reports¹ that NSW is on track for a 46% reduction by 2030 rather than the committed 50%, a gap of 4 percentage points. An extra 1%, say, from new emissions would widen the gap to 5%, increasing the effort needed to close the gap by (at least) 25%.

Scope 3 'unaffected'

We are then treated to the 'drug dealer's defence' in regard to scope 3 emissions:

"... the Proposed Modification does not create the demand for the coal which it would produce. That is, if the coal is not mined at the UCC, the demand for this product would be met through coal mined elsewhere in the world which would still be burnt and would still produce CO₂ emissions with the same corresponding climate change impacts to NSW, or arguably more emissions depending on the quality of the alternative coal source."

This ignores the realities of supply and demand. Taking out some commercially viable supply raises prices. Over time, that would tend both to lower demand and to increase supply from elsewhere, arriving at a new balance point.

Crudely, we might guess that these two adjustments are equal in magnitude, that removing 2% of supply at one point leads to a 1% reduction in demand and a 1% increase in other supply. On that basis, the effective net emissions from the proposal would be 0.38mtCO₂e of scopes 1 and 2 plus half of 64.6mtCO₂e of scope 3 for a total of 32.7mtCO₂e.

While that 1:1 guess is unlikely to be accurate, it demonstrates that Umwelt's response is mere handwaving. The onus is on the proponent to provide a more cogent analysis.

Umwelt goes on to note that:

"The continued expected demand for higher quality NSW coal is specifically acknowledged in the Strategic Statement on Coal Exploration and Mining in NSW.

"[The Strategic Statement] directly acknowledges the potential perverse climate change outcomes associated with restricting the production of higher calorific value coal in NSW (such as that which would be produced by the Proposed Modification) in that the projected global demand would see this NSW production substituted by lower quality coal produced elsewhere."

Again, this is pure conjecture. It is one thing for a document such as the Strategic Statement to note a possibility that may arise in general, but that won't do for a specific project. It is up to the proponent to present evidence that it is likely to apply in this instance. The failure to

¹ <https://www.seed.nsw.gov.au/net-zero-emissions-dashboard>

do so suggests, at the least, a lack of confidence; at worst, the embarrassing discovery that it does not.

Indeed, South Korea provides a counterexample. Several South Korean companies had proposed coal mine developments in NSW - in Bylong Valley², the Southern Highlands³ and Central Coast⁴ - over the last decade. All three were defeated by local community opposition. Combined, these projects would have seen Korean companies invest \$3.6 billion in mines producing 13 million tonnes of coal annually. The Korean economy would have been deeply invested in Australian coal mines beyond 2050.

At the COP30 summit in November 2025, South Korea committed to phasing out all unabated coal-fired power plants by 2040⁵. It is hard to imagine their having taken that step had the planned coal mining commitments gone ahead.

Anachronistic Policy References

We further note that the Strategic Statement on Coal Exploration and Mining was made by a State government of a different political hue, and has, in principle at least, been superseded by the 2023 *Net Zero Future Act*. In June 2025, the Premier acknowledged that international demand for coal is in long term decline⁶ and the current NSW government committed to a review of the Strategic Statement⁷. Umwelt addresses this by quoting from the Net Zero Plan Stage 1: 2020-2030:

“New South Wales’ \$36 billion mining sector is one of our biggest economic contributors, supplying both domestic and export markets with high quality, competitive resources. Mining will continue to be an important part of the economy into the future and it is important that the State’s action on climate change does not undermine those businesses and the jobs and communities they support”

All very bullish, but it ignores physical reality. Failing to shut down coal worldwide will destroy the economy anyway.

Besides, the above quoted Net Zero Plan is irrelevant to the proposal: the Plan is for 2020-2030, whereas the proposed extension is for 2034 and 2035.

Submission prepared by D Bolton
on behalf of CCBR Committee

23 January 2026

² <https://www.abc.net.au/news/2022-02-10/kepco-bylong-valley-coal-mine/100819162>

³ <https://www.abc.net.au/news/2021-08-31/southern-highlands-coal-mine-rejected/100422666>

⁴ <https://www.abc.net.au/news/2011-03-04/600m-nsw-coal-mine-proposal-scuttled/1967100>

⁵

<https://www.abc.net.au/news/2025-11-18/south-korea-coal-plant-closure-warning-on-australian-exports/106021660>

⁶ <https://i3-invest.com/2025/07/nsw-premier-state-needs-to-diversify-economy-away-from-coal/>

⁷

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/3085/NSW%20Government%20response%20to%20Net%20Zero%20Commission%202024%20Annual%20Report.pdf>

Appendix: Unaddressed items from our earlier submission

Extending a coal mine until 2035 exacerbates the climate crisis

The Modification Report from Glencore blandly states that it has “strengthened its commitment to reducing its total emission footprint”, and restates its commitment to “be a net-zero emissions company by 2050”. But the comments in the Executive Summary on Greenhouse Gas and Energy propose no action to reduce emissions at Ulan beyond “ongoing energy initiatives and optimising productivity” – in other words, no method to offset the extra emissions from extracting an extra 25 million tonnes of coal over an extra 2 years of operation.

The comments emphasise that the Scope 3 emissions dwarf the Scope 1 and 2 emissions, suggesting that those Scope 1 and 2 emissions are therefore insubstantial and should be ignored. Scope 1, 2 and 3 emissions will increase if this extension is granted.

If every coal miner took the attitude (and most do!) that their mine causes only a fraction of NSW emissions, and therefore its contribution should be ignored, we will never reduce any emissions from coal mining in NSW until we stop mining coal completely. And yet Scope 1 and 2 GHGs from coal mining in NSW in 2019-20 were 18.6 Mt CO2-e. This is **approximately 14% of all of NSW's GHG inventory**.

Reference: NSW Legislative Council, QUESTIONS AND ANSWERS No. 809 FRIDAY 19 AUGUST 2022, pg 16, 9330 ENERGY—GREENHOUSE GAS EMISSIONS FROM COAL MINES—Mr Justin Field to the Minister for Finance, and Minister for Employee Relations representing the Treasurer, and Minister for Energy—,

<https://www.parliament.nsw.gov.au/hp/housepaper/28717/QuestionsAndAnswers-LC-809-20220819-Revised.pdf>

In the meantime, the International Energy Agency in May 2021 called clearly for no new coal and gas projects to be begun if the world is to have a chance of keeping below 1.5 °C of global heating.

Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway [to net Zero by 2050], and no new coal mines or mine extensions are required.

NSW in 2022 is already experiencing severe greenhouse gas impacts, for example catastrophic flooding which can be attributed to increased rainfall from increased atmospheric temperatures. Continued extension of our coal industry is incompatible with a sensible response to the climate emergency.

The net benefit to NSW has been overstated

We find that a fair cost of the scope 1 & 2 emissions puts the carbon cost at \$38m, not \$19,000.

The Proposal's Economic Assessment puts the Net Present Value cost of its 0.38Mt CO2-e of scope 1 & 2 emissions at \$19,000. This is based on a carbon price of \$76/tCO2e, rising to \$95 over the life of the project, and a discount rate of 7%. That may be a suitable rate for speculative income, but various studies on greenhouse gas costs have arrived at an appropriate discount rate of 2%-3% and a Social Cost of Carbon of USD200-USD3000.

References: <http://piketty.pse.ens.fr/files/DruppFreeman2015.pdf>
<https://iopscience.iop.org/article/10.1088/1748-9326/ab3cc9>
<https://www.lse.ac.uk/granthaminstitute/explainers/what-are-social-discount-rates/>
Kikstra, Jarmo S.; Waideich, Paul; Rising, James; Yumashev, Dmitry; Hope, Chris; Brierley, Chris M. (2021-09-06).
"The social cost of carbon dioxide under climate-economy feedbacks and temperature variability". *Environmental Research Letters*. **16** (9): 094037. [Bibcode:2021ERL....16i4037K](https://doi.org/10.1088/1748-9326/ac1d0b). doi:[10.1088/1748-9326/ac1d0b](https://doi.org/10.1088/1748-9326/ac1d0b). ISSN [1748-9326](https://doi.org/10.1088/1748-9326).

More egregiously, this world cost in the Economic Assessment has then been apportioned to NSW in proportion to its fraction of world population to arrive at a trifling \$19,000 cost. A simple thought experiment demonstrates that this is completely unjustified. Why not substitute electorate for State?

The economic income would remain the same, but the greenhouse gas costs would dwindle yet further .

The NSW Independent Planning Commission has recognised that the entire cost of carbon should be deducted from the calculated benefit to NSW.

Reference: NSW Department of Planning, *Narrabri Underground Mine Stage 3 Extension Project (SSD 10269), Assessment Report*, p xii

Assuming the rate of increase of carbon price roughly matches a suitable discount rate, and allowing a modest \$100/t carbon price today, puts the carbon cost at \$38m. This eats significantly into the net benefit claimed to NSW of \$292m.

Greenhouse gas effects will significantly harm Australia's environment

The greenhouse gas effects of these emissions would cause significant harm to the health and biodiversity of areas in which Australia has international obligations: World Heritage sites including the Great Barrier Reef, and Ramsar wetlands.

Climate Sensitivity

Climate sensitivity (ECS) is the number of degrees Celsius that Earth's surface warms for each doubling of atmospheric CO₂.

The [IPCC Sixth Assessment Report](#) (AR6) stated that there is high confidence that ECS is within the range of 2.5°C to 4°C, with a best estimate of 3°C.

Reference: https://en.wikipedia.org/wiki/Climate_sensitivity#Measures

Atmospheric carbon now

Current carbon content of the atmosphere is 884Gt. (That is just the carbon atoms, not the oxygen in the CO₂. Greenhouse gas emissions are measured the same way.)

Impact of one additional Gt on temperature

From the above, we can calculate that additional CO₂e will raise Earth's surface temperature at a marginal rate of 3°C x log₂(1+1/884) = 0.005°C per Gigatonne.

Impact of temperature rise on the Reef

The consensus is that a 1.5°C rise is now unavoidable. Going to a 2.0°C rise will pretty much destroy the reef.

Reference:

<https://www.theguardian.com/environment/2021/nov/30/confronting-great-barrier-reef-faces-frequent-extreme-coral-bleaching-at-2c-heating-research-finds>

A rise of 0.005C is 1% of the additional rise to go from 1.5°C to 2.0°C. Since the GBR has an area of 348700km², we can think of that as meaning that each additional GtCO₂e destroys, on average, 3487km². Note that for these purposes emission scopes 1, 2 and 3 are all relevant.

Project	Emissions scope	mtCO ₂ e released	Planetary warming °C	Warming as a percentage of the 0.5°C rise from 1.5°C to 2.0°C	km ² of GBR destroyed
Ulan Mod 6	scope1+2	0.38	0.000002	0.0004%	1
	scope 3	64.60	0.000316	0.0633%	221
	<i>total</i>	<i>64.98</i>	<i>0.000318</i>	<i>0.0636%</i>	<i>222</i>

[2025 update: or, counting only half of scope 3 as discussed above, a loss of 111 km² of reef.]

Other environmental impacts from the Greenhouse Gas emissions

It is likely that analyses similar to that above regarding the Great Barrier Reef would demonstrate significant environmental impacts on other Australian marine and terrestrial flora and fauna, through direct effects of the warming and through consequential floods, droughts and bushfires. It would be appropriate to seek such assessments from the experts before approving the proposals.